

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 56 – HB 865**

February 19, 2009

**SUMMARY OF BILL:** Prohibits any person 18 years of age or younger who has been suspended from school for 10 or more days, whether consecutively or non-consecutively, in a school year from being eligible for a driver's license until the person reaches 18 years of age or until a two-year period has elapsed from the date of the tenth day of suspension in the school year, whichever is later. Authorizes the Department of Safety (DOS) to revoke the driver's license of any such person for the above specified time period. Authorizes any such person who has had their driver's license revoked as a result of this bill to request an administrative review. Requires the director of schools for a local education agency (LEA) to notify DOS when any such student has been suspended from school for ten days or more.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Net Impact - \$125,400/Recurring**

**Increase State Expenditures - \$48,200/One-Time  
\$63,900/Recurring**

**Increase Local Expenditures - \$5,800/Recurring\***

**Assumptions:**

- According to the Department of Education (DOE), there were approximately 11,500 students suspended for 10 or more days during the 2007-08 school year.
- The number of students suspended 10 or more days during a school year remains constant.
- Seventy percent of suspended students (8,050) have been issued driver's licenses that would be revoked; thirty percent (3,450) have not been issued driver's licenses.
- Fifty percent of individuals who have had their driver's license revoked (4,025) will reinstate.

- According to DOS, there are two fees charged for driver's license reinstatement: a reinstatement fee of \$20 and a driver's license fee \$19.50.
- The increase to state revenue attributable to reinstatements is estimated to be \$159,000 per year ( $\$39.50 \text{ in total fees} \times 4,025 = \$158,988$ ).
- Fifty percent of individuals not having been issued a driver's license (1,725) would have applied for and received a license before the age of 18 under current law, but would be ineligible to obtain one under this bill.
- The decrease of state revenue attributable to reduced driver's license fees is estimated to be \$33,600 per year ( $1,725 \times \$19.50 = \$33,638$ ).
- The net increase to state revenue is estimated to be \$125,400 per year ( $\$159,000 - \$33,600 = \$125,400$ ).
- According to DOS, the department would need two additional positions for handling the 11,500 notifications sent from LEAs each year (one Safety Examiner 1 position and one Safety Examiner 2 position).
- The increase to recurring state expenditures related to the two additional positions is estimated to be \$63,900 per year (\$40,500 salary, \$18,300 benefits, \$5,100 other).
- The increase to one-time state expenditures related to the two additional positions is estimated to be \$9,700 (computer, software, communications, etc.).
- Additional one-time state expenditures of approximately \$38,500 for computer and software modifications to multiple DOS systems.
- DOE projects the cost for LEAs to notify the DOS of students who have been suspended 10 or more days to be \$0.50 per notification. This cost covers the expense for postage, envelopes, and stationary necessary for providing proper notification. As a result, the increase to local government expenditures is estimated to be \$5,800 per year ( $11,500 \times \$0.50 = \$5,750$ ).

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc